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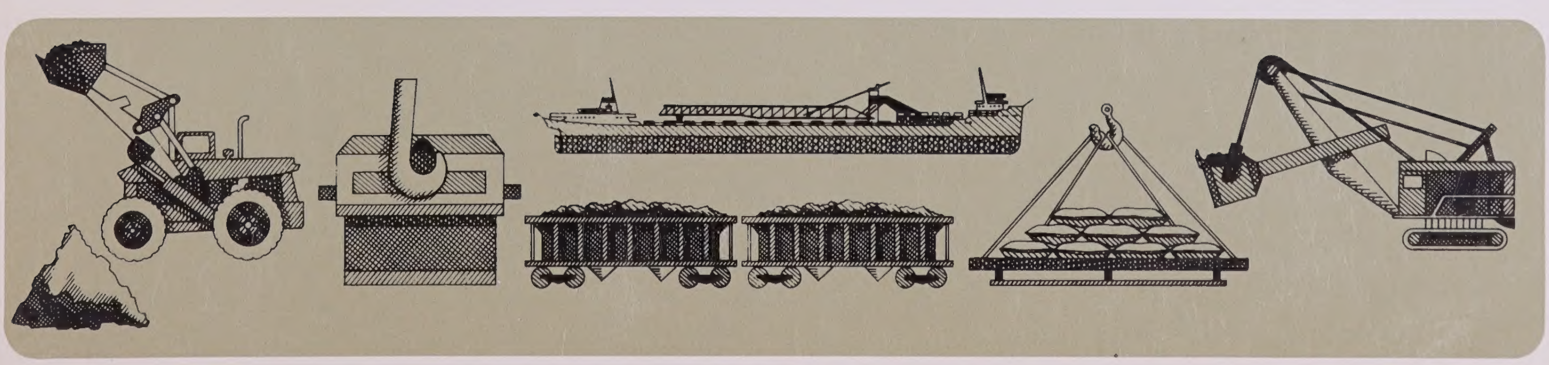
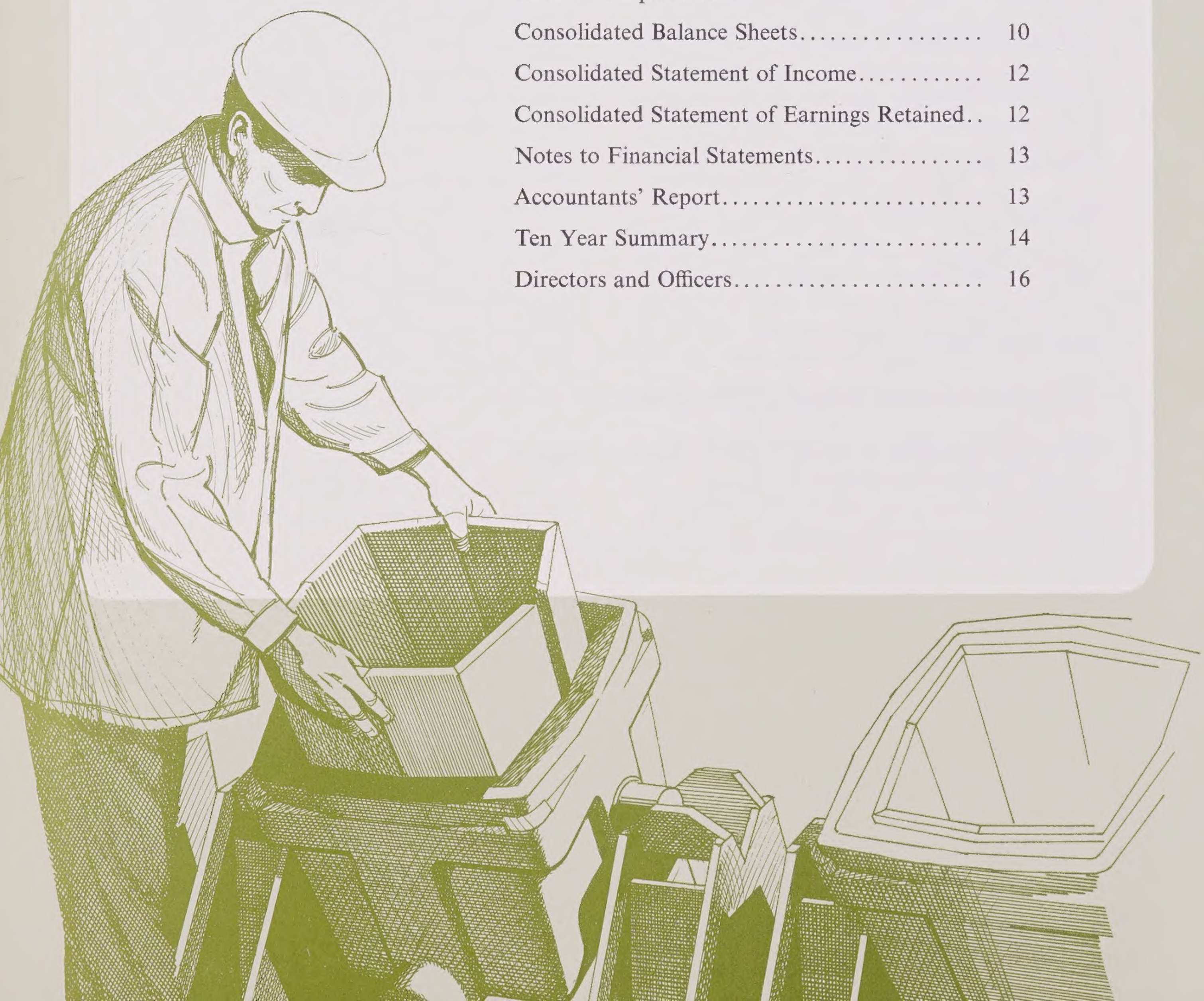
OGLEBAY NORTON COMPANY

1967 ANNUAL REPORT



OGLEBAY NORTON COMPANY / Annual Report 1967

CONTENTS



Financial Highlights

	1967	1966
Gross income	$62,165,151	$68,052,498
Income before extraordinary items	4,207,582	4,814,346
Extraordinary items, less applicable taxes	2,844,798	—
Net income	7,052,380	4,814,346
Cash dividends paid	1,817,417	1,529,927
Per share(1)		
Income before extraordinary items	4.18	4.72
Extraordinary items, less applicable taxes	2.83	—
Net income	7.01	4.72
Cash dividends paid	1.80	1.50
Book value	55.30	49.88
Working capital	20,013,947	11,888,284
Total assets	74,208,630	74,361,552
Long-term liabilities	477,518	2,515,536
Stockholders' equity	55,647,426	50,878,263
Depreciation, amortization and depletion charged to costs and expenses	3,401,726	3,670,312
Expenditures for property, plant and equipment, including investment in the Eveleth taconite project	3,230,929	4,547,849

(1) Per share figures are based on shares outstanding at year end.

To Our Stockholders

In reviewing the record of 1967 for our company, we think that results were good. It was the second best year in our history, exceeded only by 1966. It should be pointed out that steel production was off 5.37% and domestic iron ore shipments from the upper lakes region were down 8.79%. The reductions of 8.65% in our gross income and 12.6% in our net income from operations were not unusually severe when related to the changes in these basic industrial statistics. Financial Highlights on the opposite page summarizes 1967 results and gives comparative figures for 1966. You will note that gain or loss from extraordinary items is included in total net income in accordance with a change in accounting practice adopted by the accounting profession last year.

As has been the case for the past several years, prices for our products and services were generally unchanged. Wage rates and other items of cost and expense continued to increase. We think our organization has accomplished a remarkable result in combating this squeeze in the face of declining volume.

We previously advised you of arrangements to sell our West Virginia high volatile operating coal mines. This transaction was completed on December 1, 1967. We also closed the Brule Mine, a low volatile coal producer which we have operated since 1935. This was a thin seam, high cost operation nearing exhaustion of controlled reserves. The net effect of these actions, after applicable taxes, is reflected in the income from extraordinary items.

Cash flow from operations was $7,609,308. Additionally, the federal income tax benefit from guidelines depreciation used only for tax purposes and the investment credit amounted to $877,573. In 1967 expenditures for capital asset replacement and improvement were $3,230,929. Net cash realization from sale or liquidation of capital assets—principally coal mining properties—amounted to $8,033,053. These were the principal items which resulted in a substantial increase in working capital, the extinguishment of all term debt and the purchase of 13,700 shares of our stock in April, as previously reported.

At this time the 1968 program for reinvestment in capital assets amounts to $3,324,000, which is $93,071 more than was expended last year. However, there are several projects under study and evaluation that may become firm as the year progresses in mining, transportation and in other fields with which we are not now identified that may require substantial additional amounts. Our mineral exploration efforts have been expanded, and we are actively seeking to enlarge and broaden our scope, not necessarily confined to the industries with which we have been traditionally associated. Our financial resources are adequate to fulfill any requirements we now have in view.

Last year we were comparatively free from internal labor difficulties but were affected by truckers' strikes and strikes in the automobile industry. The outlook for 1968 is cloudy in this respect, not only because of labor negotiations in the steel industry and the possibility of strikes later on in the year but also because steel consumers, with such anticipation, are now building inventories and are alleged to be arranging for large increases in steel imports. This could result in very high levels of activity for six or seven months followed by a drastic plunge thereafter, perhaps extending into 1969, until

inventory excesses are liquidated. Recent labor contract settlements in other industries have been characterized as inflationary and have resulted in increased prices passed on to the consumer. Because we are far removed from the ultimate consumer in the sale of our products and services, we have much greater difficulty in establishing appropriate price adjustments. If the contract settlements in the steel industry this year exceed productivity increases in our particular operations, then we can probably expect a further profit margin squeeze.

Being so largely confined to the United States, we have had no direct impact from the international monetary changes and restrictions, although they may temper some propositions we have under consideration. Of course, increases in social security costs are and will continue to increase our tax burden, and we would be adversely affected by increases in federal income tax now under consideration by Congress.

In the face of these labor, tax and other uncertainties, a forecast for 1968 at this time must be viewed as highly conjectural. However, we are planning for a year that should be close to 1967, but we are emphasizing flexibility to enable us to respond quickly as events unfold. We believe there is a greater likelihood of improvement than there is of reduction.

We think it significant to explain that our accounting practice with reference to the treatment of guidelines depreciation, the investment credit and the consequent effect on federal income tax, is conservative. This should be considered in comparing our results with those of other companies that do not use the same methods. It is hoped that uniformity of accounting treatment will soon become established.

Mr. James J. Nance, former Chairman and Chief Executive of Central National Bank of Cleveland, was elected to membership on our Board of Directors. Mr. Nance has had wide production, marketing and financial experience, having served in important executive positions with General Electric Company, Studebaker-Packard Corporation and the Ford Motor Company. He is currently Chairman of the Executive Committee of Montgomery Ward and Chairman of First Union Realty Corporation.

Our organization is in good position to continue its fine and efficient performance, although there have been several changes resulting from deaths and retirements. Fortunately, we have capable, experienced younger men, well qualified, energetic and enthusiastic. Mr. John J. Dwyer was elected Executive Vice President, Mr. A. F. Savage was elected Assistant Vice President-Mining, Mr. L. M. Bell was elected Controller, Mr. A. W. Juergens was elected Assistant Treasurer and Mr. P. G. Sullivan was appointed Director of Coal Sales.

We continue to enjoy fine cooperation with our customers, suppliers and employees.

Courtney Burton

Chairman

President

OGLEBAY NORTON COMPANY Operations

COLUMBIA TRANSPORTATION DIVISION

Despite the late starting dates of the ore carriers due to ice conditions and reduced crane vessel operations, reflecting a general slackening in the movement of pig iron and scrap, the Division carried over 18,000,000 tons of commodities for the second time in its history. The year is characterized as one of continued diversification and reorientation in response to changed economic conditions. Our efforts to increase the efficiency of our vessels and of shoreside transfer facilities are continuing. It is clear to us that water transportation and rail-water combinations continue to be the inherently low-cost modes of delivery of bulk commodities. We are actively resisting railroad rate discrimination which seeks to undermine our natural advantages.

Because of progressively increased costs, which have not been offset by rate increases, the fleet realized a lower operating profit than it did in 1966. With increased efficiency and planned changes in our operating pattern, we believe that, barring a steel strike and given normal preseason and postseason weather conditions, our earnings in 1968 will at least equal those of 1967. Continued favorable water levels are predicted for the coming season with slight improvement over last year. In general, it appears that there will continue to be a heavy demand for our services.

FERRO ENGINEERING DIVISION

Hot Top operations were at a relatively high level in 1967 despite a reduction in steel production and two lengthy truck strikes which affected adversely our shipments and profits. We were able to substitute other means of delivery during the truck strikes and adequately serve our customers at all times.

A new type of Hot Top called "Quickline", for use in connection with big-end-up molds, was developed during 1967. "Quickline" has been met with enthusiastic acceptance by several of the steel producers. This new Hot Top will open up a much larger market for our "Ferroboard", which is used extensively with big-end-down molds. "Ferroboard" eliminates the need for brick linings in all forms of our hot top casings and is much more efficient from a shipping and handling standpoint. We predict a bright future for "Quickline" and an added impetus to the strong market trend for "Ferroboard".

The versatile fleet of vessels in our Columbia Transportation Division is designed to meet the diversified needs of industry.

After careful study, we have decided to establish a Canadian subsidiary and manufacturing plant to serve our Canadian customers. The plant now under construction will be situated close to Hamilton, Ontario, and we expect to begin operations by June 1968. A manufacturing plant and storage facilities in Canada are expected to improve substantially our competitive position in the expanding Canadian market and overcome delivery, duty and exchange disadvantages. It will also relieve the strain on domestic production facilities.

Construction of our new research laboratory has progressed much slower than we had anticipated, but we expect to move into these new quarters by March 1, 1968, and increase our research programs for new and improved products.

MINING

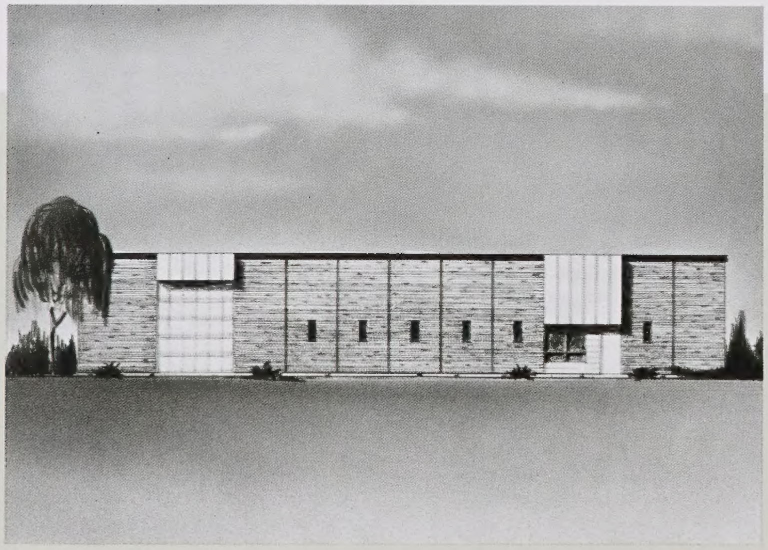
Coal

Although partially offset by increased production at our Ohio operations, the total volume of coal produced by us in 1967 decreased by 23% as a result of the disposal of our active West Virginia mining properties.

On July 1, 1967, the high volatile mines located in the Kayford, West Virginia, area were sold to Bethlehem Steel Corporation. Equipment trials at the Brule Mine failed to prove the economic practicality of overcoming unfavorable mining conditions, and this mine, which was nearing exhaustion of controlled reserves, was closed at the end of March.

Production at our two Ohio mines increased about 12% over the 1966 total to reach the projected level of nearly 2,000,000 tons, but gross profits declined because of unfavorable seam conditions encountered in certain limited areas. Advanced exploration indicates early improvement and the trial of recently developed mining equipment is expected to demonstrate greater efficiency, especially under adverse conditions.

In the coming year we plan to complete testing and evaluation of extensive additional Ohio reserves which would be mined and sold under long-term contract arrangements to a large electric utility. We are also continuing to seek other available resources in the eastern coal fields which lend themselves to consumer participation or long-term contract potential.



Architectural drawing of Ferro's new manufacturing plant, Hamilton, Ontario, Canada. To be completed 1968.

Although relations with labor have been good, the United Mine Workers' contract may be reopened after September 30, 1968, which always creates uncertainties. The general shortage of skilled workmen remains acute.

The accomplished elimination of unsatisfactory elements of our business and the contemplated utilization of significant advances in mining technology lead us to anticipate marked improvement in 1968.

Iron Ore and Other Minerals

Eveleth Taconite Company completed its second year of operation. Pellet production totaled 1,738,000 tons, exceeding design capacity by more than 100,000 tons. Consumers have been well satisfied with the chemical and physical quality of the pellets. The fact that only minor operational problems were experienced in this second year reflects favorably on the original planning and engineering concepts and promises continued satisfactory operation. During 1967, we consummated leases on taconite lands contiguous to the Thunderbird Mine which augment the ore reserves. These will greatly enhance the possibility of expanding the present facilities at an economically appropriate time or significantly lengthen the life of the operation.

Barring a long steel strike which would close Eveleth Taconite's operation or other unforeseen contingencies, we anticipate capacity operations in 1968, with resulting important contributions to our Company.

We are continuing to investigate the taconite lands we optioned south of Eveleth, Minnesota, as part of a program to expand our iron mining activities. Results of drilling and metallurgical studies conducted thus far appear favorable, but the data are still insufficient to evaluate the property accurately.

As part of our plans to broaden our base in mining activities beyond the ferrous field, we commenced in December 1967 an exploration and development program in the United States and Canada. Subject to our control, the program will be directed and staffed by McPhar Geophysics Limited, an experienced, reputable exploration firm whose services we have retained. We are also seeking acquisition of existing mineral producing companies whose activities would be compatible with ours.

The Australian exploration ventures with

We have been extensively involved for many years in both the production and sale of iron ore. Eveleth Taconite Company is our latest venture.

other companies have not found any of the areas investigated to be worthy of mineral development. Exploration projects of this nature are necessarily long range, and the ventures are continuing.

COAL SALES

The tonnage sold and shipped in 1967 was slightly less than in the prior year. Supply remained relatively tight. About one-half of the tonnage sold was produced by our own mines, a reduction from 1966 reflecting the sale at mid-year of our West Virginia high volatile mines. However, we continue to market a substantial part of this production as sales agent.

An increasing proportion of our shipments was unit train deliveries to electric utilities and large industrial consumers under term contracts.

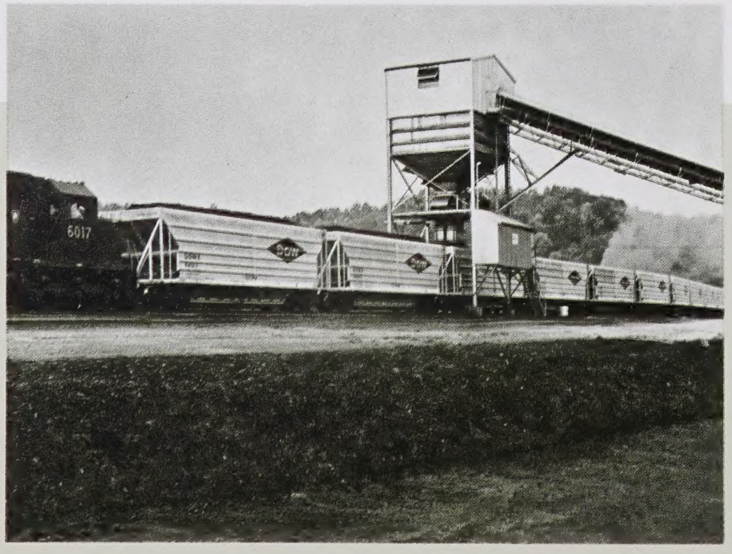
New sources of supply are under active investigation and negotiation related to forecast growth in the long-term requirements of contract customers.

We expect a moderate increase in production from our own mines but do not expect much net change in total sales in 1968 because of the long lead time involved in establishing new production of our own and a continuing tightness in the supply available from other producers.

ORE AND MINERAL SALES

The reduction in steel production and iron ore consumption was reflected in the lower level of our iron ore sales as agent for other producers. Open market sales generally take the brunt of such reductions because steel companies tend to favor their own or consuming interest producers. Term contract commitments on Eveleth pellets resulted in the disposal of our share of production from that operation.

Sales of metallurgical fluorspar and fluorspar pellets used in the production of steel were off commensurate with the level of steel production. Shipments of other grades of fluorspar to the chemical and ceramic industries were somewhat improved but limited by availability of supply. Fluorspar is a fairly sensitive international mineral with frequent changes in competitive factors including ocean freight rates.



Modern techniques in mining preparation, storage and loading are typical of all our coal mine facilities.

With the coming into production of several new and enlarged iron ore pellet operations this year, and the uncertainty surrounding steel labor negotiations, our outlook for 1968 is tenuous but we expect results to probably be about the same as 1967.

DOCK OPERATIONS

With our expanded and improved facilities at Toledo available for the full season, Toledo Overseas Terminals Co. experienced an impressive increase in overseas cargoes and corresponding increases in operating revenue and net operating income. The advantages of Toledo, and our facilities and services there, have become widely recognized by both shippers and vessel operators. Although there is a great variety of goods involved in import-export shipments, we are noting an improvement in the nature of consignments and expect this to continue as international Great Lakes trade becomes more firmly established.

We expect a continuation of these favorable trends in 1968. Forecast increases in import steel should be favorable for all overseas dock operations, and we look for a pick-up in containerization, which we are well situated and equipped to handle.

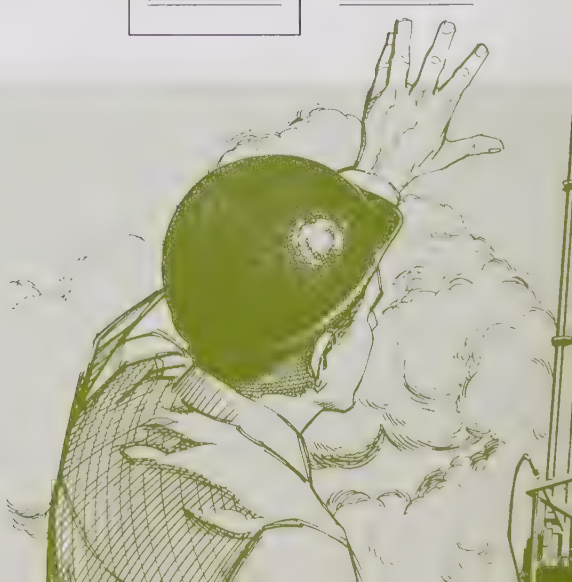
The Bay City, Michigan, dock experienced a better year than we had anticipated and showed a substantial increase in earnings on a moderate increase in tonnage. These favorable changes were largely a reflection of increased import deliveries. We expect last year's pattern to continue in 1968 and are estimating that our results will be about the same.

Although the tonnage handled at the Saginaw, Michigan, dock in 1967 was less than in 1966, this operation showed a modest improvement in earnings. The major factors in this improvement were increased storage revenues and the resumption of shipments of export scrap. Heavy outbound shipments of scrap are booked for the opening of the 1968 season. This may result in storage revenues returning to a more normal level, and as export scrap shipments are unpredictable this early in the year, we forecast earnings of the Saginaw operation to be slightly less than those attained last year, although there is a good chance of equaling or bettering last year's results.

Berthing without tugs, expanded shed space, complete handling equipment at our Toledo dock terminal—TOTCO—other facilities at Chicago, Illinois, Saginaw and Bay City, Michigan.

Consolidated Balance Sheets, December 31, 1967 and 1966

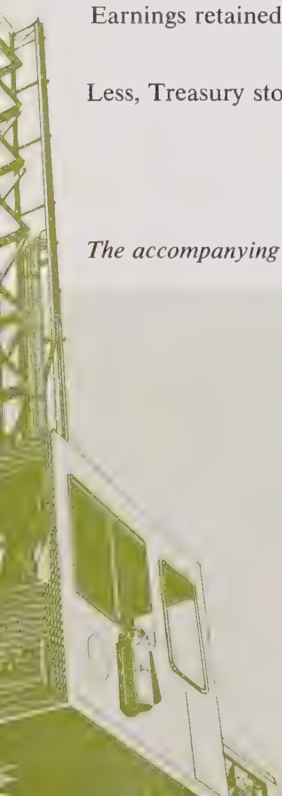
ASSETS	1967	1966
Current:		
Cash	$ 2,612,892	$ 4,832,668
Marketable securities, at cost plus accrued interest (approximate market)	$12,415,221	$ 1,496,328
Notes and accounts receivable, less allowance for uncollectible accounts:		
Customers	$ 7,455,552	$ 9,882,109
Other	1,352,660	1,834,441
	$ 8,808,212	$11,716,550
Inventories, at the lower of average cost or market:		
Coal and other products	$ 2,054,385	$ 1,451,469
Operating supplies and materials	838,098	1,564,306
	$ 2,892,483	$ 3,015,775
Prepaid expenses:		
Chartered vessel rental	$ 413,250	$ 413,250
Insurance, taxes and other expenses	748,364	739,179
	$ 1,161,614	$ 1,152,429
Total current assets	$27,890,422	$22,213,750
Investments, at cost (Note 6)	$ 6,512,169	$ 6,726,148
Noncurrent receivables	$ 578,999	$ 654,794
Properties and equipment, at cost:		
Vessels and vessel equipment	$41,992,207	$41,408,335
Coal properties and equipment	11,613,285	20,798,561
Other properties and equipment	5,641,466	5,105,814
	59,246,958	67,312,710
Less, Accumulated depreciation, amortization and depletion	23,242,020	25,661,209
	36,004,938	41,651,501
Construction in progress	582,976	326,288
Leasehold improvements, less amortization	1,172,361	1,203,104
Coal mine property and equipment held for sale	287,685	—
	$38,047,960	$43,180,893
Deferred charges:		
Pension plan past service costs	$ 935,430	$ 1,035,332
Advanced royalties and other charges	243,650	550,635
	$ 1,179,080	$ 1,585,967
	$74,208,630	$74,361,552



OGLEBAY NORTON COMPANY and Subsidiary Companies

LIABILITIES	1967	1966
Current:		
Notes payable, banks	$ —	$ 2,000,000
Accounts payable, trade	2,878,466	2,755,051
Accrued expenses:		
Pay rolls and other compensation	1,460,606	1,893,178
Pension fund contributions (Note 2)	438,182	509,506
Property and social security taxes	376,488	501,140
Other accrued expenses	807,591	372,414
Amounts withheld from pay rolls and taxes collected from customers	146,503	173,256
Federal income taxes	1,699,628	2,094,339
Other payables	69,011	26,582
Total current liabilities	7,876,475	10,325,466
Notes payable, banks 5%, less current installment	—	1,500,000
Long-term liabilities in connection with closed mine	477,518	1,015,536
Total liabilities	8,353,993	12,841,002
Deferred federal income taxes (Note 3)	10,207,211	10,642,287
Total liabilities and deferred federal income taxes	$18,561,204	$23,483,289
STOCKHOLDERS' EQUITY		
Common stock, par value $1 per share; authorized 3,000,000 shares; issued 1,019,951 shares	$1,019,951	$ 1,019,951
Additional capital (no change during the year)	7,034,569	7,034,569
Earnings retained in the business	48,058,706	42,823,743
	56,113,226	50,878,263
Less, Treasury stock, 13,700 shares, at cost	465,800	—
	$55,647,426	$50,878,263
	$74,208,630	$74,361,552

The accompanying notes are an integral part of these financial statements.



Consolidated Statement of Income

For the years ended December 31, 1967 and 1966

	1967	1966
Net sales of coal, iron ore and other products	$39,001,858	$44,162,971
Lake transportation and related revenues	22,080,495	22,588,551
	$61,082,353	$66,751,522
Cost of goods sold	$36,006,484	$40,818,125
Operating expenses	14,214,142	13,655,612
	$50,220,626	$54,473,737
Gross profit	$10,861,727	$12,277,785
Sales commissions, management and other fee income	1,082,798	1,300,976
	11,944,525	13,578,761
General, administrative and selling expenses	5,231,430	5,098,392
Profit from operations	$ 6,713,095	$ 8,480,369
Other income:		
Dividends and interest	$ 409,997	$ 164,042
Proceeds from sales of ore rights, royalties and miscellaneous	405,510	361,137
	815,507	525,179
Other deductions:		
Interest expense	96,020	266,202
	$ 719,487	$ 258,977
Income before federal income tax and extraordinary items	$ 7,432,582	$ 8,739,346
Federal income tax applicable to above income (Note 3)	3,225,000	3,925,000
Income before extraordinary items	4,207,582	4,814,346
Extraordinary items, net of applicable federal income taxes of $413,000 (Note 7)	2,844,798	—
Net income	$ 7,052,380	$ 4,814,346
Per share of common stock:		
Income before extraordinary items	$ 4.18	$ 4.72
Extraordinary items, net of taxes	2.83	—
Net income	$ 7.01	$ 4.72

Consolidated Statement of Earnings Retained in the Business

For the years ended December 31, 1967 and 1966

	1967	1966
Balance, January 1	$42,823,743	$39,539,324
Net income for the year	7,052,380	4,814,346
	49,876,123	44,353,670
Cash dividends:		
$1.80 per share in 1967	1,817,417	—
$1.50 per share in 1966	—	1,529,927
Balance, December 31	$48,058,706	$42,823,743

The accompanying notes are an integral part of these financial statements.

Notes to Financial Statement

1. The consolidated financial statements include the accounts of all of the Company's subsidiaries.

2. The Company has a noncontributory pension plan for salaried employees and several noncontributory plans for hourly-rated employees. Charges to costs and expenses under the plans amounted to $580,000 in 1967 and $595,000 in 1966, which include amortization of past service costs over periods not exceeding 25 years. Prepayments for past service on the plan for salaried employees in prior years resulted in payments in 1967 and 1966 being less than the amounts charged to expense. With respect to the other plans, current payments equal the amounts charged to expense. The actuarially computed values of vested benefits at December 31, 1967 have been funded or accrued.

The Company also pays into a union plan which provides pension and other benefits for hourly-rated employees at its coal mines. Payments are based upon a specified rate per ton of coal produced, and amounted to $1,165,000 in 1967 and $1,353,000 in 1966.

3. For federal income tax purposes, the Company's deductions for depreciation, pension expense and certain other costs are computed differently than the amounts charged in the accounts for such costs. Amounts equal to the resulting tax reductions are charged to income (as federal income tax) and credited to the reserve for deferred federal income taxes. The deferred taxes are credited to income (as federal income tax) in periods when depreciation, pension expense and certain other costs charged in the accounts exceed the amounts deductible for tax purposes.

The investment credit resulting from equipment acquisitions is being deferred and taken into income over the average productive lives of the related equipment.

4. The Company has chartered a bulk cargo vessel at an annual charter rental of $570,000 under a charter expiring in 1983.

Outstanding commitments for purchase of plant, property and equipment amounted to approximately $1,650,000 at December 31, 1967.

5. Depreciation, amortization and depletion charged to costs and expenses for the years 1967 and 1966 amounted to $3,401,726 and $3,670,312, respectively.

6. Investments include $6,439,169 and $6,645,538 at December 31, 1967 and 1966, respectively, representing a 15% interest in Eveleth Taconite Company which is 85% owned by another company. The investment is stated at cost which is the equity in underlying net assets. Eveleth has no income as the stockholders reimburse it for all costs incurred in proportion to their stock ownership, and the production of the mine is taken by the stockholders in like proportion.

7. The extraordinary items represent the gain resulting from the sale of the Kayford coal mining properties in June, 1967 less the estimated loss from permanently closing the Brule coal mine in March, 1967, and miscellaneous adjustments from previously closed mine, after deduction of applicable federal income taxes.

Accountants' Report

TO THE BOARD OF DIRECTORS OF OGLEBAY NORTON COMPANY, CLEVELAND, OHIO

We have examined the consolidated balance sheet of OGLEBAY NORTON COMPANY and its subsidiary companies as of December 31, 1967 and the related consolidated statements of income and earnings retained in the business for the year then ended. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances. We previously examined and reported upon the financial statements of the company for the year 1966.

In our opinion, the accompanying financial statements referred to above present fairly the consolidated financial position of Oglebay Norton Company and its subsidiary companies at December 31, 1967 and 1966 and the consolidated results of their operations for the years then ended, in conformity with generally accepted accounting principles applied on a consistent basis.

LYBRAND, ROSS BROS. & MONTGOMERY
Cleveland, Ohio, February 12, 1968.

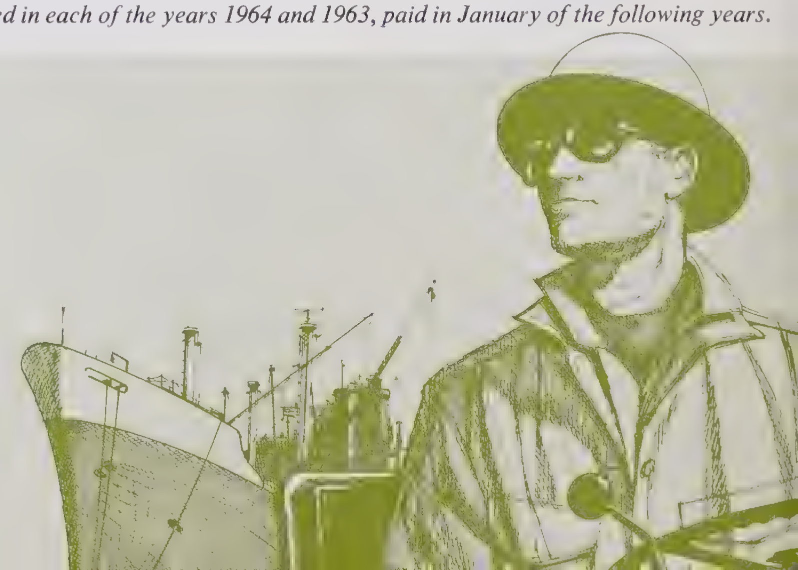
Ten Year Summary

	1967	1966	1965	1964
Gross income	$62,165,151	$68,052,498	$58,417,358	$55,353,266
Income before federal income tax and extraordinary items	7,432,582	8,739,346	7,451,491	6,805,890
Income before extraordinary items	4,207,582	4,814,346	4,051,491	3,605,890
Extraordinary items, less applicable taxes	2,844,798	–	–	–
Net income	7,052,380	4,814,346	4,051,491	3,605,890
Cash dividends paid	1,817,417	1,529,927	1,325,936(2)	1,223,941(2)
Net income invested in the business	5,234,963	3,284,419	2,725,555	2,381,949
Number of stockholders at year end	1,360	1,333	1,337	1,456
Shares outstanding at year end	1,006,251	1,019,951	1,019,951	1,019,951
Per share*				
Income before extraordinary items	4.18	4.72	3.97	3.54
Extraordinary items, less applicable taxes	2.83	–	–	–
Net income	7.01	4.72	3.97	3.54
Cash dividends paid	1.80	1.50	1.30(2)	1.20(2)
Book value	55.30	49.88	46.66	43.79
Current ratio	3.54	2.15	2.33	2.20
Stockholders' equity to total liabilities ratio	6.66	3.96	3.95	4.92
Working capital	20,013,947	11,888,284	9,917,392	9,510,807
Total properties—net	38,047,960	43,180,893	42,276,316	39,261,082
Total assets	74,208,630	74,361,552	69,092,991	61,331,238
Long-term liabilities	477,518	2,515,536	4,586,856	1,151,928
Stockholders' equity	55,647,426	50,878,263	47,593,844	44,664,298
Depreciation, amortization and depletion charged to costs and expenses	3,401,726	3,670,312	2,440,106	2,702,402
Expenditures for property, plant and equipment, including investment in the Eveleth taconite project	3,230,929	4,547,849	10,324,015	5,329,993

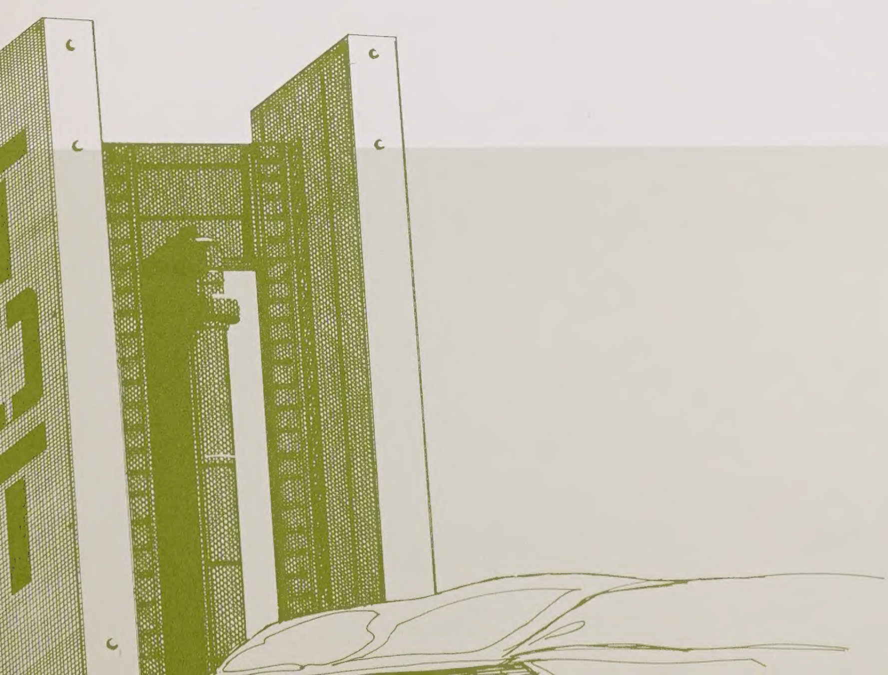
**Per share figures have been adjusted for a 2% stock dividend paid in 1962, and are based on shares outstanding at year end.*

(1) Excludes extraordinary deductions of $502,229 in 1963 and $1,999,078 in 1962 equal to $.49 and $1.96 per share, respectively These amounts were charged to retained earnings in those years.

(2) Includes an extra dividend of $.20 per share declared in each of the years 1964 and 1963, paid in January of the following years.



1963	1962	1961	1960	1959	1958
$53,830,689	$53,147,488	$54,762,424	$53,109,474	$42,722,738	$35,185,245
5,555,283	4,386,056	5,580,675	4,318,997	3,121,152	2,835,713
2,890,283	2,226,056	3,055,675	2,443,997	1,886,152	1,560,713
— (1)	— (1)	—	—	—	—
2,890,283	2,226,056	3,055,675	2,443,997	1,886,152	1,560,713
1,019,951	1,019,951	1,000,080	1,000,080	1,000,080	1,000,080
1,870,332	1,206,105	2,055,595	1,443,917	886,072	560,633
914	906	815	455	321	262
1,019,951	1,019,951	1,019,951	1,000,080	1,000,080	1,000,080
2.83	2.18	3.00	2.40	1.85	1.53
— (1)	— (1)	—	—	—	—
2.83	2.18	3.00	2.40	1.85	1.53
1.00	1.00	1.00	1.00	1.00	1.00
41.46	40.31	41.09	39.08	37.66	36.79
2.42	3.29	2.24	1.92	1.67	2.38
4.22	3.02	4.06	3.78	3.39	4.26
9,441,162	11,591,516	10,410,252	8,421,531	7,442,421	11,889,304
39,243,272	40,791,330	38,271,411	38,371,690	36,724,618	31,160,135
58,574,777	60,258,918	59,068,923	57,303,119	56,651,166	52,783,543
3,367,059	8,551,743	1,928,597	1,427,593	179,618	204,835
42,282,349	41,118,236	41,911,209	39,858,830	38,414,913	37,528,841
2,693,262	2,967,614	2,813,038	2,603,963	1,878,268	1,780,185
2,324,436	8,736,193	3,082,230	4,571,867	7,532,459	4,803,359



OGLEBAY NORTON COMPANY

DIRECTORS

Bradford, Thomas N.
Burton, Courtney
Charman, Walter M., Jr.
Correa, Edgardo A.
Gale, Robert I., Jr.
Hutchinson, J. Gordon
Karch, George F.
Mitchell, Donald W.
Nance, James J.
Peterson, Gustave A.
Rankin, Alfred M.
Richey, Herbert S.
Sedgwick, Ellery, Jr.
Sloan, Edward W., Jr.
Stans, Maurice H.
White, Fred R., Jr.
*Rankin, Henry P.

**Honorary Director*

OFFICERS

Courtney Burton.............. *Chairman of the Board*

Edward W. Sloan, Jr....................... *President*

John J. Dwyer.............. *Executive Vice President*

Gustave A. Peterson.......... *Senior Vice President—General Manager, Ferro Engineering Division*

Fred R. White, Jr............... *Senior Vice President*

Walter M. Charman, Jr. .... *Vice President—Assistant Manager, Ferro Engineering Division*

Albert B. Cozzens.. *Vice President—Vessel Operations*

Arthur B. Rathbone........ *Vice President—Ore Sales*

Philip R. Ward....... *Vice President—Administration, Ferro Engineering Division*

Renold D. Thompson................. *Secretary and Assistant to the President*

Charles W. Ferris......................... *Treasurer*

Alfred F. Savage..... *Assistant Vice President—Mining*

Robert A. Thomas............ *Assistant Secretary and General Counsel*

Gordon C. Nichols............... *Assistant Secretary*

Leonard M. Bell......................... *Controller*

Lytton S. Beman, Jr............... *Assistant Treasurer*

Harold P. Hunston............... *Assistant Treasurer*

Arthur W. Juergens............... *Assistant Treasurer*

EXECUTIVE OFFICE

1200 Hanna Building, Cleveland, Ohio 44115
Telephone 861-3300
Cable Address: ONCO—CLEVE

BRANCH OFFICES

Detroit, Michigan 48226, 1834 Guardian Building
Telephone 963-1277

St. Clairsville, Ohio 43950, P. O. Box 156
Telephone 695-1134

SUBSIDIARIES

Cabin Creek Coal Sales Company, 1201 Enquirer Bldg.
Cincinnati, Ohio 45202 Telephone 381-6590

Silloc Limited, 417-419 Queen's Quay West
Toronto 2B, Ontario, Canada Telephone 366-9511

Toledo Overseas Terminals Co., Box 306,
Presque Isle, Station "A"
Toledo, Ohio 43605 Telephone 726-2605

TRANSFER AGENT AND REGISTRAR

The Cleveland Trust Company Cleveland, Ohio

COUNSEL

Thompson, Hine and Flory Cleveland, Ohio

ACCOUNTANTS

Lybrand, Ross Bros. & Montgomery Cleveland, Ohio

QN